

REMARKS

Administrative Overview

Claims 1–14 were presented for examination. In the Office Action mailed on June 1, 2005, claims 1–7 were rejected under 35 U.S.C. § 101 for being directed to non-statutory subject matter. Claims 1–14 were rejected as unpatentable over United States Patent Application Publication No. 2002/0103746 to Moffett, Jr. (hereinafter “*Moffett*”) in view of U.S. Patent No. 5,615,109 to Eder (hereinafter “*Eder*”).

We hereby amend the claims and respectfully request reconsideration in light of the arguments below. Support for these amendments may be found, for example, at pages 3, 8 and 10 of the application as filed. We submit that no new matter has been introduced by these amendments. After the entry of these amendments, claims 1–14 will be pending in this application.

Each of the outstanding objections is addressed in the order in which they appear in the Office Action.

Change of Address for Correspondence Concerning this Application

Please direct all future correspondence concerning this application to:

Patent Administrator
Goodwin Procter LLP
Exchange Place
53 State Street
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Existence of Related Applications

The Examiner’s attention is directed to United States Patent Applications Nos. 09/664,226, 10/831,969, and 09/999,670, all assigned to the assignee of the instant application.

The Pending Claims, as Amended, Satisfy the Requirements of 35 U.S.C. § 101

Claims 1–7 were rejected under 35 U.S.C. § 101 for failing to fall “within the technological arts.”

MPEP § 2106 provides that compliance with 35 U.S.C. § 101 is achieved when a claimed process is “limited to a practical application of [an] abstract idea or mathematical algorithm in

the technological arts.” MPEP § 2106(II)(A). While § 2106 does discuss the “practical application” requirement, it does not discuss the meaning of the phrase the “technological arts.” However, the instant Office Action explains that:

“claim 1 only recites an abstract idea. The recited steps of merely receiving a plurality bids [sic] and performing a mathematical analysis to determine optimal [sic] award schedule does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper.”

We understand this to mean that claim 1 falls outside the “technological arts” because all of its recited steps purportedly can be performed in the mind of a user or by use of a pencil and paper.

As amended, claim 1 now recites:

“receiving *over a computer network*, from each of a plurality of candidate suppliers, a corresponding plurality of bids;

receiving, from at least one candidate supplier *over said computer network*, an offer of a business-volume discount that is triggered when an aggregate purchase of at least one unit of a first qualifying item and at least one unit of a second qualifying item is within a defined volume interval; and

determining *by a processor* an optimal award schedule for satisfaction of the requisition.”

(emphasis added). That is, claim 1, as amended, now specifically recites the execution of several steps using a computer network or a processor. These amended claims clearly encompass statutory subject matter, as they recite physical aspects within the technological arts that cannot be performed in the mind of a user or by use of a pencil and paper.

For these reasons, we respectfully submit that amended claim 1 and pending claims 2–7, which depend therefrom, satisfy the strictures of 35 U.S.C. § 101.

Additionally, to the extent the Office is relying on an unpublished opinion or other authority to support this rejection, we respectfully request identification of the authority to facilitate future discussion.

The Claims, as Amended, are Patentable over *Moffett* and *Eder*

Claims 1–14 were rejected under 35 U.S.C. § 103 as unpatentable over *Moffett* in further view of *Eder*. To demonstrate a *prima facie* case of obviousness, the prior art references (when combined) must teach or suggest all of the limitations of the claims at issue. See MPEP § 2143.

The Applicants respectfully submit that *Moffett* and *Eder*, either taken individually or in proper combination, do not teach or suggest all of the limitations of independent claims 1 and 8 and therefore do not legally establish a *prima facie* case of obviousness of these claims or of the remaining claims that depend therefrom.

Generally speaking, the present invention relates to “a computer-implemented method for determining an optimal award schedule that satisfies [a] requisition.” Application at 3. A prospective supplier submits a bid including an offer of a business volume discount that is triggered when a certain volume of a first qualifying item and a second qualifying item are purchased. Id. at 3. Following receipt of a plurality of bids, the method determines an optimal award schedule satisfying the requisition. Id. at 4. In one embodiment, the schedule is determined by minimizing an objective function including a business volume discount term. Id. at 27–29.

In brief overview, *Moffett* describes “a method and system for collective bargaining based on a group initiative structure utilizing the Internet.” Moffett at [0003]. *Moffett* teaches that prospective buyers create RFQs that they discuss with prospective sellers. Id. at [0059]. When the sellers bid on the RFQs, their proposed prices are translated into a savings figure for the buyers, such that the buyers do not see the proposed prices from the buyers. Id. at [0061]. After multiple rounds of bidding to meet the buyers’ hurdle prices, “the seller with the lowest bid for the group overall is conditionally awarded the contract.” Id. at [0063]. In short, the *Moffett* reference teaches a variant of a traditional auction that turns on the minimization of a price term for an aggregated group of buyers.

Eder teaches “an innovative and useful inventory management system that creates and displays a prioritized list of profit-enhancing changes to base-level requisitions.” Eder at col. 17, ln. 17-19. *Eder* teaches that “the system develops forecasts for the user-specified time period of sales by product, sales by customer type, sales by account number, cash receipts by customer type, cash receipts by account number, debits by account number, credits by account number, inventory by item and account balances by period.” Eder at col. 16, ln. 58-63.

In contrast, amended independent claims 1 and 8 both recite, in part, receiving, from at least one candidate supplier, “an offer of a business-volume discount that is triggered when an aggregate purchase of at least one unit of a first qualifying item and at least one unit of a second

qualifying item is within a defined volume interval” and the determination of “an optimal award schedule.” We respectfully submit that neither *Moffett* nor *Eder*, either alone or in combination, teaches or suggests at least these claim limitations. Both references fail to teach the use of a business-volume discount for an aggregate purchase of two different qualifying items falling within a defined volume interval. They also fail to teach the determination of an “optimal award schedule,” which we define as the “optimal combination of suppliers, together with the list of items to be ordered from each supplier.” Application at 2.

As the Office Action concedes, *Moffett* “fails to explicitly disclose receiving an offer of a business-volume discount that is triggered when an aggregate purchase of at least one unit of first qualifying item and at least one unit of a second qualifying item is within a defined volume interval.” Office Action at 4. *Eder* does not cure this deficiency. The *Eder* patent appears to contemplate business volume discounts “based on the dollar volume purchased during a specified time period” or “based on the customer’s commitment to purchase a specified volume of a product during a specified time period.” *Eder* at col. 2, ln. 8-9; col. 2, ln 25-27.

We respectfully submit that this is not the same as “a business-volume discount that is triggered when an aggregate purchase of at least one unit of a first qualifying item and at least one unit of a second qualifying item is within a defined volume interval.” Indeed, the Office Action appears to concede as much, as it states:

“From this teaching of *Eder*, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the purchasing requisition of *Moffett JR.* to include the business-volume discount base[d] on purchases of items categories as taught by *Eder* in order to maximize profit.”

(emphasis added). No limitation of claim 1 or claim 8 recites a “business-volume discount base[d] on purchases of items categories,” and the Office Action does not claim that *Eder* teaches “a business-volume discount that is triggered when an aggregate purchase of at least one unit of a first qualifying item and at least one unit of a second qualifying item is within a defined volume interval.” We respectfully submit that neither reference teaches or even suggests the concept of qualifying items within a defined volume interval, as expressly required by claims 1 and 8.

Additionally, neither *Moffett* nor *Eder* teaches the determination of an “optimal award schedule.” Instead, both *Moffett* and *Eder* appear to limit selection to a single seller. *Moffett* at

[0061]; *Eder* at col. 28, ln. 12-19; col. 68, ln. 38-56. In contrast, the “award schedule” recited in the present claims allows for several sellers to satisfy a buyer’s requisition and, indeed, the disclosure of the present invention allows for the determination of an optimal award schedule involving several sellers.

For these reasons, we submit that *Moffett* and *Eder*, by themselves or in proper combination, fail to teach or suggest all of the elements present in the Applicants’ independent claims 1 and 8. Therefore, we respectfully submit that independent claims 1 and 8, and the remaining claims, which depend therefrom, are patentable over *Moffett* and *Eder*.

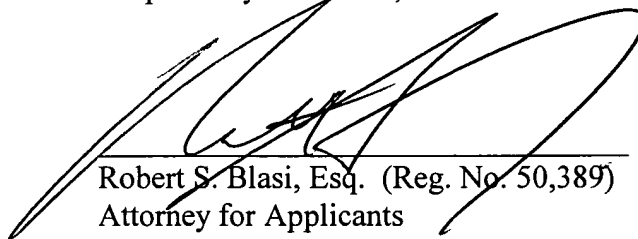
Additionally, we respectfully request that further communications include citations to the column and line number of the material relied upon to facilitate future discussion. The Office’s current analysis of the sixty-six page *Eder* reference includes no such citations.

CONCLUSION

In light of the foregoing, we respectfully submit that all of the pending claims are in condition for allowance. Accordingly, we respectfully request reconsideration, withdrawal of all grounds of rejection, and allowance of all of the pending claims in due course.

If the Examiner believes that a telephone conversation with the Applicants' attorney would be helpful in expediting the allowance of this application, the Examiner is invited to call the undersigned at the number identified below.

Respectfully submitted,



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